

CLERK DEPARTMENT

AGR 15.001

IIIH _____

ORD _____

**FIRST AMENDMENT TO THE AGREEMENT FOR EMPLOYMENT
TOWN ATTORNEY**

RESO _____

This Amendment to Town Agreement AGR13-180 is entered into this 17th day of December, 2014, by and between the Town of Los Gatos, a municipal corporation ("Town") and Robert Schultz ("Employee").

RECITALS:

WHEREAS, Town and Robert Schultz executed an Agreement effective December 12, 2013 to provide Town Attorney services to the Town;

WHEREAS, in November 2014, the Town Council concluded an evaluation of Robert Schultz's performance and determined that all performance goals and objectives were met or exceeded; and

WHEREAS, on the basis of the annual evaluation, the Town Council desires to amend the employment agreement to award a 2% wage increase to the annual base salary, effective with the Town Attorney's anniversary date of December 12, 2014 and a lump sum performance bonus of \$ 2,000.

IT IS THEREFORE AGREED by the parties as follows:

Item 4 of the Agreement is amended to read as follows:

4. Compensation

(a) Base Salary.

- (1) The Town Attorney is awarded a 2% wage increase for an annual base salary of \$188,700, effective with the Town Attorney's anniversary date of December 12, 2014.

(b) Performance Review.

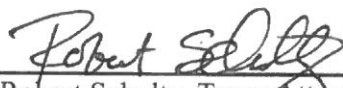
- (1) On the basis of an annual performance evaluation covering the first year of employment from December 2013 to December 2014, the Town Attorney is awarded a one-time lump sum payment of \$2,000.

IN WITNESS WHEREOF, the parties have executed this Amendment to the Town Attorney Agreement on the date written above.

TOWN OF LOS GATOS

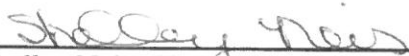


Marcia Jensen, Mayor



Robert Schultz, Town Attorney

ATTEST:



Shelley Neis, Clerk Administrator for
Town of Los Gatos



MEETING DATE: 12/16/14

ITEM NO: 6

COUNCIL AGENDA REPORT

DATE: DECEMBER 5, 2014

TO: MAYOR AND TOWN COUNCIL

FROM: RUMI PORTILLO, HUMAN RESOURCES DIRECTOR

SUBJECT: APPROVE AN AMENDMENT TO THE EMPLOYMENT AGREEMENT BETWEEN THE TOWN OF LOS GATOS AND THE TOWN ATTORNEY FOR A 2% INCREASE TO THE ANNUAL BASE SALARY EFFECTIVE WITH THE TOWN ATTORNEY'S ANNIVERSARY DATE OF DECEMBER 12, 2014 AND A LUMP SUM PERFORMANCE BONUS OF \$2,000

RECOMMENDATION:

Approve an amendment to the employment agreement between the Town of Los Gatos and the Town Attorney for a 2% wage increase to the annual base salary, effective with the Town Attorney's anniversary date of December 12, 2014 and a lump sum performance bonus of \$2,000.

BACKGROUND:

As an appointee of the Town Council, the Town Attorney is employed under an Employment Agreement specifying the terms and conditions of employment. The terms and conditions of employment include items such as base pay, basic and optional benefits, covered expenses, parameters for an annual performance review, and conditions for termination/severability.

DISCUSSION:

The Town Attorney's Employment Agreement is reviewed on an annual basis in conjunction with an annual performance evaluation. The review of the Employment Agreement is conducted to ensure legal compliance and to provide for any adjustments in the terms and conditions of employment.

The original Employment Agreement for the appointment of Town Attorney Robert Schultz was approved by the Town Council effective December 12, 2013. In accordance with the contract terms, the Town Council has completed the evaluation process for the Town Attorney for his first year in the position, from December 2013 to December 2014.

Reviewed by: N/A Assistant Town Manager N/A Town Attorney Se Finance

N:\MGR\AdminWorkFiles\2014 Council Reports\Dec 16\12-16-14 TA Amendment to Contract.doc

PAGE 2

MAYOR AND TOWN COUNCIL

SUBJECT: APPROVE AN AMENDMENT TO THE EMPLOYMENT AGREEMENT
BETWEEN THE TOWN OF LOS GATOS AND THE TOWN ATTORNEY FOR A
2% INCREASE TO THE ANNUAL BASE SALARY EFFECTIVE WITH THE
TOWN ATTORNEY'S ANNIVERSARY DATE OF DECEMBER 12, 2014 AND A
LUMP SUM PERFORMANCE BONUS OF \$2,000
DECEMBER 5, 2014

CONCLUSION:

Based upon the satisfactory completion of the Town Attorney's performance review, it is recommended that the Town Attorney be awarded a 2% wage increase to the annual base salary on his one-year anniversary date. The wage increase is consistent with 2% adjustments provided to other Town management salaries for FY 2014/15. In addition, it is recommended that the Town Attorney receive a one-time lump sum performance bonus of \$2,000.

The dollar amount equivalent for the wage increase based on the current annual salary of \$185,000 is as follows:

2% increase to base salary: $\$185,000 + \$3,700 = \text{new base of } \$188,700$

All other contract provisions in the Town Attorney's Employment Agreement will remain the same.

FISCAL IMPACT:

Funding to support the Town Attorney's Employment Agreement is authorized in the annual budget each fiscal year along with all other Town employee compensation and benefits. In addition to the lump sum performance bonus and increase in base salary, the Town is required to make pension contributions.

Thus, for 2014/15, the total fiscal impact for the lump sum bonus and base increase including pension contributions is a total of **\$5,089**:

- \$2,000 lump sum performance bonus with pension: $\$2,000 + \$448 = \$2,448$
- 2% increase to base with pension, pro-rated for 7 months: $\$3,700 + \$828 = \$2,641$ (for the period December 2014 through June 2015)

On an ongoing basis, the cost for a full year of the 2% increase to base, including the pension rate to be adjusted for 2015/16, is approximately \$4,581.

The cost will be absorbed in the current fiscal year (FY 2014/15) from other salary savings in the Town's budget. The increased base salary will be included in the base budget for future fiscal years.

The Town Attorney is responsible to make pension contributions of 8% on the lump sum bonus and the base salary, as required by CalPERS. The Town Attorney's pension contributions are paid through payroll deductions.

Attachments:

1. Amendment to the Agreement for Employment – Town Attorney